



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
INSURANCE DIVISION - ACTUARIAL SECTION
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TYPES OF HEALTH INSURANCE

1. **MAJOR MEDICAL** - provides a full spectrum of medical coverage including hospital stays, outpatient care, and doctor visits. It may also provide coverage for prescription drugs, home health care, nursing homes, and other health services. This type of insurance typically has a deductible and then coverage is provided on a co-insurance or co-payment basis cost sharing basis until a maximum out of pocket amount is reached and 100% coverage is provided. This type of policy bases its payment on the expenses incurred for medical care.
2. **SHORT TERM MAJOR MEDICAL** - this type of policy is for a limited duration, usually up to six months but maybe as long as a year. A short term major medical policy will not cover pre-existing conditions. This type of policy bases its payment on the expenses incurred for medical care.
3. **HOSPITAL/SURGICAL ONLY**- is very similar to the major medical but only provides coverage for hospital care and possibly some hospital outpatient care such as surgery on a limited basis. This type of coverage **will not cover outpatient care or prescription drugs**. This type of insurance typically has a deductible and then coverage is provided on a co-insurance or co-payment basis cost sharing basis until a maximum out of pocket amount is reached and 100% coverage is provided. This type of policy bases its payment on the expenses incurred for medical care.
4. **HOSPITAL INDEMNITY** - this type of policy pays a specified daily amount when a person is confined to a hospital. The payment of a benefit is based upon an occurrence (the hospital confinement) of an event, not an expense. This type of policy will not provide comprehensive medical coverage and is best used as a supplement for a major medical or hospital surgical policy.
- 5) **HOSPITAL/ MEDICAL/ SURGICAL INDEMNITY** - this type of policy is a combination of coverage based upon stated schedule amounts. The payment of a benefit is based upon an occurrence, not an expense. It will typically provide a limited payment, has time period/visit limits, and does not contain any maximum out of pocket provision. If a major health crisis occurs, this policy will not provide financial protection. This type of policy will not provide comprehensive medical coverage and is best used as a supplement for a major medical or hospital surgical policy.
5. **CANCER, HEART, STROKE** - is a limited benefit policy. These types of policies cover a specific illness only and do not pay benefits for any other illness or injury. This type of policy is not meant to be your only medical coverage.
6. **ACCIDENT** - this type of policy is also a limited benefit policy. It pays a benefit for accidental injury only. These policies may pay on an expense incurred basis or a stated indemnity amount.
7. **SUPPLEMENTS** - these types of policies are meant to provide additional coverage for expenses left uncovered by a major medical, hospital surgical, champus, or Medicare policy. They are not intended to be the only coverage.